



DEPARTMENT OF FIRE, BUILDING AND LIFE SAFETY

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OFFICE OF ADMINISTRATION * OFFICE OF MANUFACTURED HOUSING * OFFICE OF STATE FIRE MARSHAL

MEMORANDUM

TO: All Dealer Licensees (D-8, D-8B, D-12 and D-10 who sell Residential FBBs only)

FROM: Donna Grant, Licensing and Audit Manager

DATE: May 7, 2012

SUBJECT: New Trust and Escrow Law

Changes made to A.R.S. § 41-2180, "Trust and escrow requirements; rules; exemptions", are **effective July 1, 2012**. A link to the Arizona Revised Statutes is located on our website, www.dfbls.az.gov.

Beginning July 1, 2012, each properly licensed dealer handling the sale of a **new** or previously owned manufactured home, mobile home or factory-built building designed for use as a residential dwelling with a purchase price of fifty thousand dollars (\$50,000.00) or more, shall use the services of a independent escrow agent authorized to handle such an account in this State.

The owner of a mobile home park who also is or owns a dealership properly licensed to sell **new** manufactured homes or **new** factory-built buildings designed for use as residential dwellings may use the licensed dealership's trust or escrow account that is maintained at an independent financial institution if ALL of the following apply:

- a. The new home will be installed in a mobile home park owned by the park owner;
- b. At the time of sale, the park owner has on file with the Department the following:
 - i. the name and address of all mobile home parks owned by the park owner;
 - ii. the name, address and license number of the licensed dealership; and
 - iii. documentation that shows that the park owner either holds the dealer's license, owns a majority interest in the dealer's license or is controlled by an entity that holds a controlling interest in the dealer's license.
- c. The licensed dealership has posted a dealer bond in the amount of \$100,000.00. Dealers with surety bonds on file with the Department must provide original bond riders increasing their bond(s) amount(s) to \$100,000.00. Dealers with cash bonds on file with the Department must provide an additional \$75,000.00 bond in the form of cash, certified check, cashier's check, bank money order, or postal money order made payable to either the State Treasurer or to the Department of Fire, Building and Life Safety.

Beginning July 1, 2012, each properly licensed dealer or broker who sells previously owned mobile homes, manufactured homes or factory-built buildings designed for use as residential dwellings, that have a purchase price of **less** than fifty thousand dollars (\$50,000.00), shall maintain a trust account or an escrow account with an independent financial institution or an independent escrow account with an independent escrow agent located in this state.

Beginning July 1, 2012, each properly licensed dealer or broker who sells previously owned mobile homes, manufactured homes or factory-built buildings designed for use as residential dwellings in a brokered sales transaction, where the purchase price is **less** than fifty thousand dollars (\$50,000.00), must provide the purchaser with written disclosure before the purchaser signs the purchase contract, that the purchaser has the option to request from the dealer or broker, in writing, that the sales transaction be handled through a title company and that the transaction will otherwise be handled through a trust account or an escrow account maintained at a financial institution that is controlled by the licensee if the purchaser does not exercise this option and if the seller does not consent to the use of a title company.

**Please note that it is the responsibility of all licensed dealers and brokers
to contact properly licensed escrow agents in this State
for the purpose of determining which escrow agents or title companies
will establish escrows for these types of transactions.**

We encourage all licensees to start doing this now before the new statute goes into effect.